

Message Text

UNCLASSIFIED

PAGE 01 LONDON 05641 01 OF 02 141747Z

45

ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AGR-10 CEA-01 CIAE-00 DODE-00

EB-07 FRB-01 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01

TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01 IO-10

/125 W

----- 002858

R 141732Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0190

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 01 OF 02 LONDON 05641

DEPARTMENT PASS TREASURY AND FRB

E.O. 11652:N/A

TAGS: EFIN, UK

SUBJECT: UK TRADE AND CURRENT ACCOUNT IN MARCH

BEGIN SUMMARY: THE UK CURRENT ACCOUNT WAS IN SURPLUS BY 14 MILLION POUNDS (S.A.) IN MARCH. THIS TURNAROUND OF SOME 184 MILLION POUNDS OVER THE FEBRUARY DEFICIT OF 170 MILLION POUNDS RESULTED, TO A LARGE DEGREE, FROM A MAJOR DISRUPTION IN THE FLOW OF IMPORTS DUE TO AN INDUSTRIAL DISPUTE AT THE PORT OF LONDON DURING THE MONTH. THE VISIBLE TRADE DEFICIT OF 106 MILLION POUNDS (S.A.) WAS COMPOSED OF A 206 MILLION POUND DEFICIT IN TRADE IN PETROLEUM AND PETROLEUM-RELATED PRODUCTS AND A NON-OIL TRADE

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 05641 01 OF 02 141747Z

SURPLUS OF 100 MILLION POUNDS. PROVISIONAL ESTIMATES SHOW

EXPORTS OF 1,540 MILLION POUNDS (F.O.B., S.A.) AND IMPORTS
OF 1,646 MILLION POUNDS (F.O.B., S.A.). THE INVISIBLES
BALANCE IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 120
MILLION POUNDS. END SUMMARY

1. NOTE: THE MARCH FIGURES, PRIMARILY THE NON-OIL TRADE
STATISTICS, ARE SOMEWHAT DISTORTED BY THE MANNER IN WHICH
THE TRADE STATISTICS ARE COLLECTED DURING THE MONTH. IM-
PORT FIGURES ARE FOR THOSE GOODS FOR WHICH DOCUMENTATION
IS RECEIVED BY H.M. CUSTOMS AND EXCISE OFFICE AT THE END
OF THE MONTH AND CLOSELY REFLECT THE ACTUAL FLOW OF GOODS
DURING THE MONTH. ON THE OTHER HAND, THE DOCUMENTATION
FOR EXPORTS REFLECT AN APPROXIMATE TWO-WEEK LAG BETWEEN
SHIPMENT AND COLLECTION OF STATISTICAL DATA.

IN THIS PARTICULAR CASE, IMPORT DATA ARE FOR THOSE
GOODS RECEIVED DURING THE MONTH OF MARCH WHILE EXPORT DATA
ARE FOR GOODS SHIPPED MID-FEBRUARY TO MID-MARCH.

UNDER NORMAL CONDITIONS, THIS TWO-WEEK DIFFERENCE IN
REPORTING TIME IS NOT SIGNIFICANT. HOWEVER, DURING MARCH
THERE WAS A MAJOR INDUSTRIAL DISPUTE INVOLVING DOCK
WORKERS, PRIMARILY AT THE PORT OF LONDON, DURING WHICH
TIME THE MOVEMENT OF GOODS WAS ALMOST COMPLETELY HALTED.
THEREFORE, THE MARCH TRADE FIGURES REFLECT THE STATISTICS
COVERING THE EXPORT OF GOODS PRIOR TO THE WORK STOPPAGE
WHILE THE IMPORT FIGURE REPORTS THE FLOW (OF NEAR LACK OF)
GOODS DURING THE STRIKE PERIOD.

WHILE THERE HAS BEEN AN IMPROVEMENT IN THE UK'S
CURRENT ACCOUNT POSITION DURING JANUARY AND FEBRUARY COM-
PARED TO PREVIOUS MONTHS, TOO MUCH SHOULD NOT BE READ INTO
THE MARCH FIGURES WHICH INDICATE A SIGNIFICANT TURNAROUND.
THE REPORTING SCHEDULE AND DOCK STRIKE CITED ABOVE CREATED
MAJOR DISTORTIONS IN THIS MONTH'S FIGURES.

2. TRADE ACCOUNT: IN MARCH, THE UK TRADE DEFICIT WAS RE-
CORDED AT 106 MILLION POUNDS (S.A., F.O.B., B/P BASIS), AN
IMPROVEMENT OF SOME 184 MILLION POUNDS OVER THE 290
MILLION POUND DEFICIT RECORDED IN FEBRUARY. THIS WAS COM-
POSED OF A DEFICIT IN TRADE IN PETROLEUM AND PETROLEUM RE-
LATED PRODUCTS OF 206 MILLION POUNDS AND A SURPLUS IN NON-
OIL TRADE OF 100 MILLION POUNDS. THE MAJOR TURNAROUND OF
UNCLASSIFIED

UNCLASSIFIED

PAGE 03 LONDON 05641 01 OF 02 141747Z

SOME 127 MILLION POUNDS IN THE NON-OIL TRADE BALANCE RE-
SULTED, IN PART, FROM THE DOCK SITUATION AND OTHER FACTORS
OUTLINED IN PARA 1 ABOVE. ON THE OTHER HAND, THE 57 MIL-
LION POUND REDUCTION IN THE OIL TRADE DEFICIT RESULTED
FROM A LOWER VOLUME OF CRUDE OIL IMPORTS WHICH WERE UN-
LIKELY TO HAVE BEEN AFFECTED BY THESE FACTORS.

3. TRADE VOLUME AND TERMS OF TRADE: THE VOLUME OF EXPORTS

INDEX ROSE FROM THE FEBRUARY LEVEL OF 126.6 TO 130.8 (S.A.
1970 EQUALS 100) IN MARCH. THE IMPORT VOLUME INDEX FELL,
FOR REASONS CITED ABOVE, FROM THE FEBRUARY LEVEL OF 123.9
TO 117.9 (S.A., 1970 EQUALS 100) IN MARCH. IN VALUE
TERMS, THE UNIT VALUE INDICES OF BOTH EXPORTS AND IMPORTS
ROSE DURING MARCH, HOWEVER THERE WAS NO IMPROVEMENT IN THE
TERMS OF TRADE. THE EXPORT UNIT VALUE INDEX ROSE FROM
185.1 TO 187.3 (N.S.A., 1970 EQUALS 100) WHILE THE IMPORT
UNIT VALUE INDEX ROSE FROM 236.3 TO 238.9 (N.S.A., 1970
EQUALS 100), FEBRUARY TO MARCH RESPECTIVELY IN BOTH CASES.

SPIERS

UNCLASSIFIED

NNN

UNCLASSIFIED

PAGE 01 LONDON 05641 02 OF 02 141744Z

45

ACTION EUR-12

INFO OCT-01 EA-10 ISO-00 AGR-10 CEA-01 CIAE-00 DODE-00

EB-07 FRB-01 H-02 INR-07 INT-05 L-02 LAB-04 NSAE-00

NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04 TAR-01

TRSE-00 USIA-15 PRS-01 SP-02 FEAE-00 OMB-01 IO-10

/125 W

----- 002869

R 141732Z APR 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 0191

INFO AMEMBASSY BONN

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

USDOC WASHDC

UNCLAS SECTION 02 OF 02 LONDON 05641

PASS TREAS & FRB

4. IMPORTS AND EXPORTS: THE TOTAL VALUE OF UK IMPORTS DECLINED BY 100 MILLION POUNDS TO 1,646 MILLION POUNDS (S.A., F.O.B., B/P BASIS). THE VALUE OF UK EXPORTS INCREASED BY 84 MILLION POUNDS TO 1,540 MILLION POUNDS (S.A. F.O.B., B/P BASIS) DURING MARCH. FOR THE FIRST QUARTER AS A WHOLE, THE VALUE OF TOTAL UK EXPORTS WAS 13 PERCENT HIGHER THAN IN FOURTH QUARTER 1974, WHILE THE TOTAL VALUE OF IMPORTS WAS 4-1/2 PERCENT LOWER.

5. INVISIBLE TRADE AND CURRENT ACCOUNT: THE BALANCE ON SERVICES AND OTHER CURRENT TRANSACTIONS IS ESTIMATED TO HAVE BEEN IN SURPLUS BY 120 MILLION POUNDS DURING MARCH.
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 LONDON 05641 02 OF 02 141744Z

THUS, THE VISIBLE TRADE DEFICIT OF 106 MILLION POUNDS COMBINED WITH 120 MILLION POUNDS SURPLUS ON INVISIBLES TRADE YIELDED A SURPLUS ON CURRENT ACCOUNT OF 14 MILLION POUNDS.

6. THE CUMULATIVE TOTALS FOR 1975 IN THE VISIBLE ACCOUNT COMPARED TO 1974 ARE:

	EXPORTS	IMPORTS	BALANCE
1974	3,500	4,779	-1,279
1975	4,558	5,229	- 671

NOTE: ALL FIGURES ARE S.A., F.O.B., B/P BASIS, IN MILLIONS OF POUNDS. THE DATA INCLUDE PROVISIONAL ESTIMATED FOR MARCH 1975 AND REVISIONS FOR EARLIER MONTHS.

SPIERS

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE BALANCE, TRADE DATA
Control Number: n/a
Copy: SINGLE
Draft Date: 14 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LONDON05641
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750129-0922
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750454/aaaabykt.tel
Line Count: 202
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 30 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 JUN 2003 by maginmm>; APPROVED <22 JAN 2004 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: UK TRADE AND CURRENT ACCOUNT IN MARCH BEGIN SUMMARY: THE UK CURRENT ACCOUNT WAS IN SURPLUS BY 14
TAGS: EFIN, ETRD, UK
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006